



**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

February 23, 2010

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**PUBLIC HEARING AUTHORIZING SOUTHERN CALIFORNIA
HOME FINANCING AUTHORITY TO ISSUE SINGLE FAMILY MORTGAGE
REVENUE BONDS (ALL DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends approval of the issuance, sale and delivery of one or more series of Single Family Mortgage Revenue Bonds by the Southern California Home Financing Authority in the aggregate amount of \$500,000,000 for its First-Time Homebuyers program. Approval of these actions will increase homeownership opportunities for individuals and families in the County of Los Angeles (County).

IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING:

1. Find that the resolution approving the issuance, sale and delivery of one or more series of Single Family Mortgage Revenue Bonds is not subject to provisions of the California Environmental Quality Act (CEQA), as described herein, because activities are not defined as a project under CEQA.
2. Adopt and instruct the Chair to sign a Resolution approving the issuance, sale and delivery of one or more series of Single Family Mortgage Revenue Bonds by the Southern California Home Financing Authority (Authority), in an aggregate principal amount not to exceed \$500,000,000, over a three-year period, to provide financing for its First-Time Homebuyers Program (Program).
3. Authorize the Chair, Chair's Designee, or Secretary of the Authority to execute all documents necessary to ensure the issuance of bonds by the Authority, following approval as to form by County Counsel.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

1 FEBRUARY 23, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

4. Authorize the Chair, Chair's Designee, or Secretary of the Authority to execute applications from time to time, on behalf of the Authority, to the California Debt Limit Allocation Committee (CDLAC) to obtain private activity volume cap for bonds to be issued by the Authority.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to conduct a public hearing to authorize the issuance of Single Family Mortgage Revenue Bonds by the Authority, a joint powers authority of Los Angeles and Orange Counties, to provide financing for its First-Time Homebuyers Program.

FISCAL IMPACT/FINANCING

No County costs will be incurred for the issuance of the Bonds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Community Development Commission (Commission) administered the Program from 1982 to 1988, in which Bonds have been issued to provide below market, fixed rate loans to eligible first-time homebuyers. Over \$1.1 billion in long-term bonds for home mortgages have been issued through the program, providing financing for over 7,500 homes. The \$500,000,000 requested in authority includes \$200,000,000 for anticipated bond issuances for mortgage loans for first-time homebuyers over the next three years and \$300,000,000 to establish a drawdown bond facility for mortgage loan pre-payments received from outstanding bond issues or new allocations from CDLAC.

In 1988, your Board authorized the formation of the Authority, which has since administered the Program. Since that time, the Authority has issued 37 series of bonds. The attached Resolution authorizes the Authority to issue Single Family Mortgage Revenue Bonds in one or more series, prior to February 23, 2013, for the above program.

Under the Program, the current maximum income limit for eligible Los Angeles County homebuyers is \$84,480, which is 120% of the statewide median income. Over half of the loans are typically made to homebuyers earning less than 80% of the area median income, which complies with state and federal requirements. The Commission provides additional incentives to assist low-income households with home purchases, including down payment and closing cost assistance, which may be used in conjunction with this Program.

The proposed issuance of the bonds will be conducted in accordance with the Internal Revenue Code of 1986 and Part 5 of Division 31 of the Health and Safety Code of the State of California. Section 147(f) of the Internal Revenue Code of 1986 requires that a notice of the public hearing be published once in a publication of general circulation, at least 14 days prior to the public hearing date. The notice for the public hearing was published in the Los Angeles Times on February 5, 2010.

The attached Resolution was prepared by Kutak Rock LLP, Bond Counsel to the Authority, and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

These activities are exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because they involve administrative activities that will not have a physical impact on or result in any physical changes to the environment. The activities are not subject to the provisions of CEQA pursuant to State CEQA guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES

The requested action will permit the issuance of bonds by the Authority to provide financing for the Program.

Respectfully submitted,



SEAN ROGAN
Executive Director

cc: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

Attachment

SR:gk:jwr

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
LOS ANGELES COUNTY, CALIFORNIA
AS THE APPLICABLE ELECTED REPRESENTATIVE
APPROVING THE ISSUANCE OF \$500,000,000 OF
SOUTHERN CALIFORNIA HOME FINANCING
AUTHORITY SINGLE FAMILY MORTGAGE REVENUE
BONDS OVER A THREE-YEAR PERIOD**

WHEREAS, the Southern California Home Finance Authority (the "Authority"), a joint powers authority, of which the County of Los Angeles (the "County") is a member, is engaging in a home mortgage financing program within the jurisdiction of the Authority (including for such purposes the County) by providing mortgages to qualifying mortgagors for such purpose (the "Program"), pursuant to Chapters 1-5 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"); and

WHEREAS, the Authority expects to issue several series of single family mortgage revenue bonds (the "Bonds") under the Program pursuant to a plan of financing home mortgages made to qualified persons and families who purchase or own homes located within the jurisdiction of the Authority (the "Plan of Financing"); and

WHEREAS, this Board of Supervisors (the "Board") hereby finds and declares that it is in the best interest of the County to participate in the Program in conjunction with the Authority in order to increase the housing supply available to qualified first-time homebuyers in the County; and

WHEREAS, the Bonds to be issued pursuant to the Plan of Financing will be "private activity bonds" for purposes of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the applicable elected representative of the governmental unit on whose behalf the Bonds are expected to be issued and by each governmental unit having jurisdiction over the area in which any facility financed by such Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the Bonds to be issued pursuant to the Plan of Financing are to be issued by the Authority on behalf of the County and the other member of the Authority, and the financing of home mortgages for homes located in the County will be provided from the proceeds of the Bonds; and

WHEREAS, the Authority will cause to be published in a newspaper of general circulation within the County, a notice that a public hearing would be held on a date, at least 14 days following the date of publication, regarding the proposed issuance of the Bonds pursuant to the Plan of Financing and the nature and location of the Program; and

WHEREAS, this Board will conduct such public hearing at which time an opportunity will be provided to interested parties to present arguments both for and against issuance of the Bonds pursuant to the Plan of Financing and the nature and locate of the Program;

WHEREAS, the members of this Board are the applicable elected representatives of the County; and

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by law;

NOW, THEREFORE, BE IT RESOLVED that this Board hereby finds, determines, resolves and orders as follows:

1. The above recitals, and each of them, are true and correct.
2. As the applicable elected representative of the County pursuant to Section 147(f) of the Code, this Board hereby approves the issuance by the Authority of the Bonds in one or more series pursuant to the Plan of Financing in an aggregate principal amount not to exceed \$500,000,000 to provide funds for the Program; provided (i) that the first series of Bonds issued pursuant to the Plan of Financing is issued no later than one year after the date of this Resolution and (ii) that the last series of Bonds issued pursuant to the Plan of Financing is issued no later than three years after the date the series of Bonds referenced in clause (i) is issued. It is the purpose and intent of this Board that this Resolution constitute approval of the issuance by the Authority of the Bonds by the applicable elected representative of the governmental unit on whose behalf the Bonds are expected to be issued.
3. This Board hereby authorizes the Chair, or, Chair's Designee, or Secretary of the Authority, to execute applications from time to time, on behalf of the Authority, to the California Debt Limit Allocation Committee in connection with obtaining allocations of private activity volume cap for the Bonds approved by this Resolution.
4. This Board hereby authorizes the use of any funds made available by the issuance of the Bonds to provide for any Program purpose as may be permitted by any indenture, purchase agreement, origination, purchase, pooling and servicing agreement, origination agreement, developer agreement, locality agreement, compliance agent agreement or any other document relating to the Bonds.
5. The officers and employees of the County are hereby authorized and directed, jointly and severally, to do any and all things necessary or advisable in order to effectuate the purposes of this Resolution or the issuance of the Bonds pursuant to the Plan of Financing, and all actions previously taken by the officers and employees of the County are hereby ratified and approved.
6. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles,
State of California, this 23rd day of February, 2010.



Gloria Molina
Chair of the Board of Supervisors

ATTEST:


SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors



By 
Deputy

APPROVED AS TO FORM

ANDREA S. ORDIN
County Counsel

By 
Deputy